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Westly Says Abusive Tax Shelter Users Will Pay \$400 Million

SACRAMENTO - State Controller and Franchise Tax Board Chair Steve Westly today announced a new program that will raise \$400 million for the state budget from users of abusive tax shelters.

“We’ve heard the Governor talk a lot about spending in the last week, but we haven’t heard where he’s going to find the money for his plans,” Controller Westly said. “Today, we’re going to raise \$400 million for the budget without raising a nickel in taxes. Too many in Sacramento think the only ways to find money for the budget are to raise taxes or cut services. There’s a better way. The state is owed \$6.5 billion that it doesn’t collect every year. We should be collecting it.”

Westly spoke at today’s FTB meeting.

The California Tax Shelter Resolution Initiative that Controller Westly announced will drive people using 21 abusive tax shelters to pay what they owe.

Controller Westly has led the way in finding revenues to pay for state services without raising taxes. Through two programs, he spearheaded the collection of \$3.5 billion. One was predicted to raise \$90 million. It raised \$1.4 billion. The other was projected to raise \$550 million. It raised \$2.2 billion.

The California Tax Shelter Resolution Initiative waives most penalties to encourage users of abusive tax shelters to pay what they owe. The initiative begins today and runs through March 31, 2006. More information is available at www.ftb.ca.gov.

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